



United States  
Department of  
Agriculture

Farmers  
Home  
Administration

Washington  
D.C.  
20250

10 MAR 1981

SUBJECT: Use of Private Contractors for Emergency Type  
(EM, EL and EE) Loan Making and Loan Servicing

TO: All State Directors, Director, National Finance Office,  
District Directors and County Supervisors, FmHA

State Directors may authorize the use of contracts with qualified private contractors for the processing and servicing of emergency type farm loans, i.e., Emergency (EM) Disaster, and Economic Emergency (EE), loans, insured and guaranteed. Contractors may also be used to service Emergency Livestock (EL) loans. This authority may be redelegated to the Chief, Farmer Programs.

This authorization is in addition to the National Office Emergency Loan Contractor team referred to in AN 449 (2009) dated September 9, 1980.

The decision to use contractors, and the number of contracts to be awarded, will be made by the State Director after consideration of the following criteria:

1. The staffing presently assigned or detailed to the county office(s) in the affected area, including temporary emergency, part-time and CETA employees and temporarily detailed ASCS employees.
2. The number of EM, EL and EE borrowers presently being served.
3. The number of emergency type loan applications received and on hand.
4. The extent and severity of natural disaster loss or damage.
5. The general prevailing economic condition of the farm community.
6. The availability of suitable and adequate agricultural credit from local conventional sources, considering the prevailing economic conditions.
7. The prevailing type of collateral to secure emergency type loans. (Loans secured primarily or entirely with chattels and crops require considerably more servicing than those secured with real estate only.)
8. The concentration or dispersion of emergency type loan borrowers and applicants. (Area to be covered for appraisals, verification of losses and servicing.)

EXPIRATION DATE:  
December 31, 1981

FILING INSTRUCTION:  
Preceding FmHA  
Instruction 2024-A



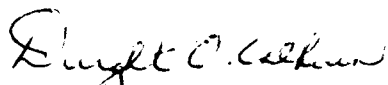
507(2024)

Contract procurement will be handled in the State Office in accordance with FmHA Instruction 1955-D. Contract awarding and administration authority is delegated in FmHA Instruction 2024-A, Exhibit A. The primary Contracting Officer for these contracts will be the Administrative Officer. Alternate Contracting Officer is the Property Management Specialist. The Administrative Officer will also be the alternate Contracting Officer for contracts where the Property Management Specialist is the Primary Contracting Officer.

Requests for contract action will be initiated by County Supervisors and submitted through the District Director to the State Director with supporting justification indicating the need for additional assistance based on increased workload due to farm emergency type (EM, EL and EE) loan activity. When County Supervisors have knowledge of qualified prospective contractors, they may recommend such contractors to the State Director.

The County Supervisor will prepare and submit monthly reports to the State Office consisting of copies of contractor invoice detail and a brief summary of all servicing actions taken by each contractor. The State Office will summarize the county reports and forward the summary to the Administrator.

The authority contained in FmHA Instruction 2024-A, Exhibit A delegates contracting award and administration authority. Contracts may be awarded only after the Contracting Officer has completed required procurement training.

  
Acting Administrator

Sent via electronic mail on March 10, 1981 at 9:57.  
Please acknowledge No. FP-2.